

ARTICLE III—AWARD AND EXECUTION OF CONTRACT

3.1 CONSIDERATION OF PROPOSALS—After the proposals are opened and read, they will be compared on the basis of the summation of the products arrived at by the multiplication of the approximate quantities shown in the bid schedule by the unit bid prices. The results of such comparisons will immediately be made available to the public. In the event of a discrepancy between unit bid prices and extensions, the unit bid price shall govern.

The State reserves the right to reject any or all proposals, to waive defects, to select any alternates or to advertise for new proposals for the best interests of the public.

3.2 AWARD OF CONTRACT—The award of contract, if it be awarded, will be made within sixty (60) calendar days after the opening of bids to the lowest responsible bidder whose proposal complies with all the requirements. The successful bidder will be notified, by letter mailed to the address shown on his proposal, that his proposal has been accepted and that he has been awarded the contract.

3.3 CANCELLATION OF AWARD—The State reserves the right to cancel the award of any contract any time before the execution of said contract by all parties without any liability to the successful bidder or any other bidder.

3.4 RETURN OF PROPOSAL GUARANTY—All proposal guaranties, except those of the lowest two bidders, will be returned immediately following the opening and checking of the proposal guaranty of the second lowest bidder, if not a bid bond, will be returned within ten (10) calendar days following execution of contract. The successful bidder's proposal guaranty, if not a bid bond, will be returned after a satisfactory contract bond has been furnished and the contract has been executed.

3.5 REQUIREMENT OF CONTRACT BOND—At the time of the execution of the contract, the successful bidder shall file a good and sufficient surety bond on the form furnished by the Department, similar to a copy of the same annexed hereto, conditioned for the full and faithful performance of the contract in accordance with terms and intent thereof and also for the prompt payment to all others for all labor and materials furnished by them to him and use in the prosecution of the work provided for in such contract, in the manner, form and amount required by Sections 78-20, 103-34 and 103-35, H.R.S., which bond shall be in an amount equal to 50 per cent of the contract price or as specified elsewhere in the bid document, plus allowance for extra work, if any. Such bond shall also by its terms inure to the benefit of any and all persons entitled to file claims for labor performed or materials furnished in the work so as to give them a right of action as contemplated by Section 507-17, H.R.S.

3.6 EXECUTION OF CONTRACT—The contract, similar to a copy of the same annexed hereto, shall be executed by the successful bidder and returned, together with the contract bond, within ten (10) days after the award of the contract or within such further time as the Director may allow after the bidder has received the contract for execution.

Pursuant to Section 103-39, H.R.S., the contract shall not bind the State in any way unless said contract has been fully and properly executed by all the parties thereto and the Comptroller has endorsed thereon his certificate that there is available an unexpended appropriation over and above all outstanding contracts, sufficient to cover the amount required by the contract.

3.7 FAILURE TO EXECUTE CONTRACT—Failure to execute the contract and file acceptable bond within ten (10) days after the award of the contract, or within such further time as the Director may allow, shall be cause for the cancellation of the award and the forfeiture of the proposal guaranty. Award of the contract may then be made to the next lowest responsible bidder.